

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SSM-03 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 IO-13 AID-05 SIL-01 LAB-04 EB-07
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R 101515Z JUN 77
FM AMEMBASSY TEL AVIV
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E.O. 11652: N/A
TAGS: ELAB, PINT, IS
SUBJECT: LIKUD LOOKS AT THE HISTADRUT ELECTION CAMPAIGN

REF: TEL AVIV 4093

SUMMARY: ACCORDING TO LIKUD'S DIRECTOR FOR THE HISTADRUT ELECTION CAMPAIGN, LIKUD SUPPORT AMONG WORKERS IS HOLDING UP WELL. HE EXPECTS THAT HIS PARTY WILL GAIN ABOUT ONE THIRD OF THE VOTES. HOWEVER, IT MAY NOT BE ABLE TO REPEAT ITS ELECTORAL FEAT DURING THE KNESSET ELECTION AND ALSO CAPTURE CONTROL OF THE HISTADRUT FROM THE ALIGNMENT, DESPITE AN ANTICIPATED DECLINE OF THE PRO-LABOR VOTE TO ABOUT 30 PERCENT. HE ATTRIBUTES THE DIFFERENCES IN THE TWO CAMPAIGNS TO THE CONTROL WHICH THE KIBBUTZ MOVEMENT AND HISTADRUT MANAGEMENT CAN EXERT IN THEIR ENTERPRISES IN THE DEVELOPMENT TOWNE, WHERE THE LIKUD HAS SHOWN ITS GREATEST STRENGTH. THE BEGIN GOVERNMENT, ONCE FORMED, PLANS TO INTRODUCE SUBSTANTIAL LABOR LEGISLATION TO CURB STRIKES AND TO REFORM THE STRUCTURE AND FUNCTION OF THE ISRAELI LABOR MOVEMENT. END SUMMARY.

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1. YOSHI KANETTI, THE YOUNG AND DYNAMIC DIRECTOR OF THE LIKUD ELECTION CAMPAIGN FOR THE HISTADRUT, TOLD THE LABATT THAT, ACCORDING TO RECENT POLLS CONDUCTED BY HIS PARTY, HE EXPECTED TO OBTAIN 30-32 PERCENT OF THE HISTADRUT VOTES, NOT QUITE ENOUGH TO WREST CONTROL FROM THE ALIGNMENT, WHICH, HE THOUGHT, WOULD OBTAIN "SLIGHTLY OVER 40 PERCENT." THE DMC VOTE, ACCORDING

TO HIS ESTIMATES, WHICH CORRESPOND WITH THOSE PROVIDED BY DMC AND LABOR SOURCES, IS EXPECTED TO BE ABOUT 10-12 PERCENT.

2. HE THOUGHT THAT PRO-LIKUD SENTIMENT AMONG THE WORKERS CONTINUED TO HOLD UP WELL, GIVING HIM HOPE THAT AS THE CAMPAIGN PROGRESSES LIKUD MAY BE ABLE TO ATTRACT AN EVEN HIGHER PERCENTAGE OF THE VOTE THAN THE POLLS HAD INDICATED. (IN 1973 LIKUD POLLED 23 PERCENT.) SHOULD LIKUD AND THE DMC OBTAIN ENOUGH VOTES TO OBTAIN TOGETHER A POTENTIAL MAJORITY, LIKUD WOULD ADD TO ITS CONDITIONS FOR ACCEPTING THE DMC INTO A GOVERNMENT COALITION THE REQUIREMENT THAT DMC ALSO FORM A COALITION IN THE HISTADRUT.

3. DESPITE THE PROSPECT OF A MAJOR DECLINE IN THE ALIGNMENT VOTE AND VIRTUALLY CERTAIN LOSS OF ITS MAJORITY IN THE HISTADRUT, LIKUD SEES A MAJOR OBSTACLE TO ITS OBTAINING MORE THAN ONE THIRD OF THE VOTES IN THE FACT THAT IN MOST DEVELOPMENT TOWNS, WHERE IT HAD MADE THE LARGEST ELECTORAL GAINS IN THE KNESSET ELECTION, THE PRINCIPAL SOURCES OF EMPLOYMENT WERE KIBBUTZ AND HISTADRUT OPERATED ENTERPRISES. THIS ENABLES THE ALIGNMENT TO BRING CONSIDERABLE PRESSURES ON EMPLOYEES TO VOTE FOR IT. THE ALIGNMENT FORCES ARE IN A STRONG POSITION TO ORGANIZE AND INFLUENCE THE VOTING. EVEN THOUGH NOBODY HAS EXPLICITLY LINKED JOB SECURITY TO HOW THE WORKERS WILL VOTE, THE IMPLICATION IS CLEAR. LIKUD CAMPAIGNERS IN THESE TOWNS HAVE ALREADY LIMITED OFFICIAL USE

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EXPRESSED CONCERN OVER THIS SUBTLE FORM OF INTIMIDATION.

4. ANOTHER UNFAIR PRACTICE ATTRIBUTED TO THE ALIGNMENT IS THAT PAID HISTADRUT STAFF MEMBERS AND KIBBUTZNIKS ARE BEING RELEASED FROM THEIR REGULAR DUTIES TO CAMPAIGN, WHEREAS THE LIKUD HAS TO RELY PRINCIPALLY ON UNPAID VOLUNTEERS. KANETTI'S OWN STAFF CONSISTS OF 21 PERSONS, OF WHOM ONLY FIVE ARE ON SALARIED STATUS. THE LIKUD CAMPAIGN HAS BEEN SLOW IN GETTING STARTED BECAUSE PEOPLE HAD EXHAUSTED THEMSELVES DURING THE KNESSET CAMPAIGN AND SAW MORE CHANCES FOR ADVANCEMENT THROUGH THE PARTY AND THE GOVERNMENT THAN THROUGH THE HISTADRUT, ESPECIALLY SINCE THE OUTCOME OF THE ELECTION REMAINS UNCERTAIN. MOREOVER, THE TOP LIKUD LEADERS ARE NOW PRINCIPALLY

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REOCCUPIED WITH THE FORMATION OF A NEW GOVERNMENT
AND THUS NOT AS READILY AVAILABLE FOR CAMPAIGNING AS
ARE ALIGNMENT LEADERS.

5. KANETTI NEXT TURNED TO LIKUD'S LABOR AND HISTADRUT
PROGRAM. THE NEXT GOVERNMENT WOULD SEEK TO OUTLAW
STRIKES IN ESSECTIAL SERVICES TO BE SPECIFIED BY
LEGISLATION FOR AN EXPERIMENTAL PERIOD OF TWO YEARS.
SETTLEMENT OF CONFLICTS SHOULD FIRST BE SOUGHT THROUGH
MEDIATION, BUT IF THAT FAILS THE ISSUES WILL BE
DETERMINED BY COMPULSORY ARBITRAITON. FOR OTHER SECTORS
THERE WOULD BE A REQUIRED ONE MONTH NOTICE BEFORE A
STRIKE COULD BE CALLED; DURING THAT PERIOD MEDIATION
WOULD BE REQUIRED, AFTER WHICH TIME THE UNIONS WOULD
BE FREE TO STRIKE. ALSO HIGH ON THE LIKUD PROGRAM IS
LEGISLATION ESTABLISHING A NATIONAL HEALTH INSURANCE
AND PENSION SYSTEM DETACHED FROM THE HISTADRUT
AND PROVIDING UNIFORM SCHEDULES OF BENEFITS TO ALL.
THE HISTADRUT'S ECONOMIC ENTERPRISES WOULD BE TRANSFORMED
INTO COOPERATIVES WITH MANAGEMENT COMPLETELY
DIVORCED FROM PARTY POLITICS. THESE MEASURES, IF
IMPLEMENTED, ARE EXPECTED TO PREVENT THE UNIONS FROM
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DIVERTING FUNDS TO POLITICAL ACTIVITIES AND TO ENCOURAGE
THE EVENTUAL DETACHMENT OF THE LABOR MOVEMENT FROM
PARTY CONTROLS. THE SYSTEM OF NATIONAL WAGE AGREEMENTS
NEGOTIATED BY THE HISTADRUT, THE GOVERNMENT, AND

THE EMPLOYERS' ASSOCIATION WOULD BE ENDED AND INDIVIDUAL UNIONS WOULD BE REQUIRED TO NEGOTIATE SEPARATE COLLECTIVE AGREEMENTS RENEWABLE EVERY YEAR. THIS WOULD RESTORE A MORE RATIONAL SYSTEM OF WAGES RELATED TO SKILLS AND PERFORMANCE. SUBSIDIES FOR ESSENTIAL CONSUMER GOODS AND SERVICES ARE TO BE REPLACED BY A NEW POLICY OF INCOME MAINTENANCE FOR LOWER INCOME GROUPS. THE UNEMPLOYMENT INSURANCE PROGRAM IS TO BE REFORMED AND USED TO PROVIDE THE GOVERNMENT WITH NEW ECONOMIC LEVERAGE TO INDUCE TRANSFERS FROM ECONOMIC SECTORS BURDENED WITH OVEREMPLOYMENT TO THOSE SUFFERING FROM LABOR SHORTAGES. HOWEVER, THE GOVERNMENT WILL REMAIN COMMITTED TO MAINTAINING ESSENTIALLY FULL EMPLOYMENT. BEGIN HIMSELF HAD ALREADY ASSURED DAVID LEVY, WHO HEADS LIKUD'S HISTADRUT LIST, AND HERUT (THE LIKUD FACTION MOST CONCERNED WITH LABOR AND SOCIAL MATTERS) THAT HE WILL OPPOSE MEASURES LIKELY TO INCREASE UNEMPLOYMENT. HERUT HAS SAID IT WOULD "USE ALL ITS LEVERAGE" TO PREVENT THE IMPLEMENTATION OF AN ECONOMIC POLICY LIKELY TO ERODE EMPLOYMENT OR INCOME OF THE WORKERS AND THIS MAY BECOME AN ISSUE OF POTENTIAL STRAINS WITHIN LIKUD.

6. LIKUD FEELS CONFIDENT THAT EVEN WITHOUT GAINING CONTROL OF HISTADRUT IT COULD BRING ABOUT MAJOR CHANGES AND STRUCTURAL REFORMS OF THE ISRAELI LABOR MOVEMENT. THESE WOULD BE FURTHER REINFORCED BY CHANGES FROM WITHIN THE HISTADRUT AS A RESULT OF PROFOUND POLITICAL CHANGES WHICH THE VICTORY OF THE LIKUD IN THE KNESSET ELECTION HAD PRODUCED. THIS, HE THOUGHT, WOULD GREATLY ENCOURAGE TRENDS TOWARD THE REMOVAL OF PARTY POLITICS FROM THE LABOR MOVEMENT AND ITS GRADUAL DETACHMENT FROM LIMITED OFFICIAL USE

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TUTELAGE BY THE POLITICAL PARTIES. HOWEVER, THE NEW GOVERNMENT COULD BE EXPECTED TO PROCEED CAUTIOUSLY AND GRADUALLY WITH INTRODUCING ITS REFORM PROGRAMS AND WOULD TRY TO PERSUADE THE HISTADRUT RATHER THAN PROVOKE AN EARLY CONFRONTATION. THE PACE OF THE REFORMS WOULD ALSO BE DETERMINED BY THE NEED TO OBTAIN SUPPORT AND UNDERSTANDING OF THE WORKERS. THERE IS NO INTENT TO PUNISH OR SEEK REVENGE ON THE HISTADRUT LEADERSHIP FOR ITS PAST ABUSES OF POWER AND ITS CORRUPT PRACTICES. THIS WAS NOT THE STYLE OF LEADERSHIP TO BE EXPECTED FROM BEGIN.

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